

**REMARKS**

Claims 1-28 are pending in the application.

1.     **§ 102(a) Rejection over U.S. Patent Application Publication 2002/0159553,**  
          **McCarty, JR. et al.**

Independent claims 1 and 15 have been rejected as being anticipated by McCarty.

McCarty does not teach or suggest representation of the state space of a measured data item by a simplified state space such that an optimal rule computed for the simplified problem is extendable to an optimal rule for the original state space. The meaning of the representation and extension is described by Applicant in sections 0027 and 0037-0049, with Figures 3 depicting an example of an optimal rule for a representative state space and Figure 4 depicting its extension to the entire original state space. Applicant has amended the claims in order to clarify the process of representation, representative rule computation and rule extension. Applicant requests that the Examiner reconsider claims 1 and 15 in view of the arguments and amendments made herein.

Independent claims 9 and 23 have been rejected as being anticipated by McCarty.

McCarty does not teach or suggest a decision making system or method that enables integration of stochastic, physical and logical information. Applicant describes such an approach in sections 0050-0055. In particular, Applicant describes representation of stochastic information using confidence sets, incorporation of restrictions on state variables, propagation of confidence sets through physical and logical models, and selection of decisions based on the comparison between resulting subsets of the state space and tasks defined in terms of subsets of the state space. Furthermore, McCarty does not teach or suggest a decision making system that can be iteratively applied by using its output as input for the next round of decision making. Applicant describes the use of the propagated confidence sets as restrictions on state spaces in

sections 0056-0057. Applicant has amended the claims in order to clarify these points.

Applicant requests that the Examiner reconsider claims 9 and 23 in view of the arguments and amendments made herein.

**2. Rejection of Dependent Claims**

Dependent claims 2-8 and 16-22 stand rejected based on §102(a). Applicant believes that based on the arguments set forth above and the amendments to claims 1 and 15, these dependent claims are allowable.

Dependent claims 10-14 and 24-28 stand rejected based on §102(a). Applicant has amended claims 10 and 13 to be compatible with amendments made to claim 9. Applicant has amended claims 24 and 27 to be compatible with amendments made to claim 23. Applicant believes that based on the arguments set forth above and the amendments to claims 9 and 23, these dependent claims are allowable.

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It is respectfully submitted that all claims in the application are allowable. Reconsideration and withdrawal of all rejections are respectfully requested. Favorable notice to this effect and early Notice of Allowance are earnestly solicited.

Should the examiner have any questions and in order to expedite prosecution of this Application, the Examiner is encouraged to contact the undersigned directly.

Respectfully submitted,



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